

AMENDED IN SENATE MAY 16, 2016

AMENDED IN SENATE MAY 3, 2016

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 983

Introduced by Senator Morrell

February 10, 2016

An act to amend Sections ~~2924c, 2924d, and 2934a~~ of, *2924c and 2924d of*, and to amend and repeal Section 2924.11 of, the Civil Code, relating to mortgages.

LEGISLATIVE COUNSEL'S DIGEST

SB 983, as amended, Morrell. Mortgages and deeds of trust.

~~Existing law requires a legal owner to maintain vacant residential property purchased at a foreclosure sale or acquired by the owner through foreclosure under a mortgage or deed of trust and authorizes a governmental entity to impose a civil fine, as specified, for a violation. Existing law requires a governmental entity, prior to imposing a fine or penalty for failure to maintain a vacant property, as specified, to provide the owner of that property with a notice of the violation and an opportunity to correct that violation.~~

~~This bill would provide that a trustee named in a recorded substitution of trustee is not a legal owner or owner, as applicable, for purposes of the provisions described above.~~

Existing law requires a mortgagee, beneficiary, or authorized agent to record a rescission of a notice of default or cancel a pending trustee sale, if applicable, upon the borrower executing a permanent foreclosure prevention alternative. Existing law, in the case of a short sale, requires the rescission or cancellation of the pending trustee's sale to occur when

the short sale has been approved and proof of funds or financing has been provided, as specified.

This bill would make a clarifying change by eliminating the reference to rescission in the case of a pending trustee's sale.

Existing law limits the amount of trustee's or attorney's fees that may be charged in connection with the enforcement of certain terms of obligation upon default in payment under a mortgage or deed of trust prior to reinstatement of a monetary default, or until the notice of sale is deposited in the mail, or otherwise at any time prior to the decree of foreclosure, to a base amount not to exceed \$300 for an unpaid principal balance sum of \$150,000 or less, or \$250 plus specified additional percentages of unpaid principal sums, if the unpaid principal balance exceeds \$150,000. Existing law, in lieu of an authorized charge, limits the amount of trustee's or attorney's fees after the notice of sale is deposited in the mail and until the property is sold by power of sale, to a base amount not to exceed \$425 for an unpaid principal balance sum of \$150,000 or less, or \$360 plus specified additional percentages of unpaid principal sums, if the unpaid principal balance exceeds \$150,000.

This bill would increase the base limitations on the amount of those trustee's or attorney's fees by \$50.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2924.11 of the Civil Code, as added by
2 Section 14 of Chapter 86 of the Statutes of 2012, is amended to
3 read:

4 2924.11. (a) If a foreclosure prevention alternative is approved
5 in writing prior to the recordation of a notice of default, a mortgage
6 servicer, mortgagee, trustee, beneficiary, or authorized agent shall
7 not record a notice of default under either of the following
8 circumstances:

9 (1) The borrower is in compliance with the terms of a written
10 trial or permanent loan modification, forbearance, or repayment
11 plan.

12 (2) A foreclosure prevention alternative has been approved in
13 writing by all parties, including, for example, the first lien investor,
14 junior lienholder, and mortgage insurer, as applicable, and proof
15 of funds or financing has been provided to the servicer.

1 (b) If a foreclosure prevention alternative is approved in writing
2 after the recordation of a notice of default, a mortgage servicer,
3 mortgagee, trustee, beneficiary, or authorized agent shall not record
4 a notice of sale or conduct a trustee's sale under either of the
5 following circumstances:

6 (1) The borrower is in compliance with the terms of a written
7 trial or permanent loan modification, forbearance, or repayment
8 plan.

9 (2) A foreclosure prevention alternative has been approved in
10 writing by all parties, including, for example, the first lien investor,
11 junior lienholder, and mortgage insurer, as applicable, and proof
12 of funds or financing has been provided to the servicer.

13 (c) When a borrower accepts an offered first lien loan
14 modification or other foreclosure prevention alternative, the
15 mortgage servicer shall provide the borrower with a copy of the
16 fully executed loan modification agreement or agreement
17 evidencing the foreclosure prevention alternative following receipt
18 of the executed copy from the borrower.

19 (d) A mortgagee, beneficiary, or authorized agent shall record
20 a rescission of a notice of default or cancel a pending trustee's
21 sale, if applicable, upon the borrower executing a permanent
22 foreclosure prevention alternative. In the case of a short sale, the
23 cancellation of the pending trustee's sale shall occur when the
24 short sale has been approved by all parties and proof of funds or
25 financing has been provided to the mortgagee, beneficiary, or
26 authorized agent.

27 (e) The mortgage servicer shall not charge any application,
28 processing, or other fee for a first lien loan modification or other
29 foreclosure prevention alternative.

30 (f) The mortgage servicer shall not collect any late fees for
31 periods during which a complete first lien loan modification
32 application is under consideration or a denial is being appealed,
33 the borrower is making timely modification payments, or a
34 foreclosure prevention alternative is being evaluated or exercised.

35 (g) If a borrower has been approved in writing for a first lien
36 loan modification or other foreclosure prevention alternative, and
37 the servicing of that borrower's loan is transferred or sold to
38 another mortgage servicer, the subsequent mortgage servicer shall
39 continue to honor any previously approved first lien loan

1 modification or other foreclosure prevention alternative, in
2 accordance with the provisions of the act that added this section.

3 (h) This section shall apply only to mortgages or deeds of trust
4 described in Section 2924.15.

5 (i) This section shall not apply to entities described in
6 subdivision (b) of Section 2924.18.

7 (j) This section shall remain in effect only until January 1, 2018,
8 and as of that date is repealed, unless a later enacted statute, that
9 is enacted before January 1, 2018, deletes or extends that date.

10 SEC. 2. Section 2924.11 of the Civil Code, as added by Section
11 14 of Chapter 87 of the Statutes of 2012, is repealed.

12 SEC. 3. Section 2924c of the Civil Code is amended to read:

13 2924c. (a) (1) Whenever all or a portion of the principal sum
14 of any obligation secured by deed of trust or mortgage on real
15 property or an estate for years therein hereafter executed has, prior
16 to the maturity date fixed in that obligation, become due or been
17 declared due by reason of default in payment of interest or of any
18 installment of principal, or by reason of failure of trustor or
19 mortgagor to pay, in accordance with the terms of that obligation
20 or of the deed of trust or mortgage, taxes, assessments, premiums
21 for insurance, or advances made by beneficiary or mortgagee in
22 accordance with the terms of that obligation or of the deed of trust
23 or mortgage, the trustor or mortgagor or his or her successor in
24 interest in the mortgaged or trust property or any part thereof, or
25 any beneficiary under a subordinate deed of trust or any other
26 person having a subordinate lien or encumbrance of record thereon,
27 at any time within the period specified in subdivision (e), if the
28 power of sale therein is to be exercised, or, otherwise at any time
29 prior to entry of the decree of foreclosure, may pay to the
30 beneficiary or the mortgagee or their successors in interest,
31 respectively, the entire amount due, at the time payment is
32 tendered, with respect to (A) all amounts of principal, interest,
33 taxes, assessments, insurance premiums, or advances actually
34 known by the beneficiary to be, and that are, in default and shown
35 in the notice of default, under the terms of the deed of trust or
36 mortgage and the obligation secured thereby, (B) all amounts in
37 default on recurring obligations not shown in the notice of default,
38 and (C) all reasonable costs and expenses, subject to subdivision
39 (c), that are actually incurred in enforcing the terms of the
40 obligation, deed of trust, or mortgage, and trustee's or attorney's

fees, subject to subdivision (d), other than the portion of principal as would not then be due had no default occurred, and thereby cure the default theretofore existing, and thereupon, all proceedings theretofore had or instituted shall be dismissed or discontinued and the obligation and deed of trust or mortgage shall be reinstated and shall be and remain in force and effect, the same as if the acceleration had not occurred. This section does not apply to bonds or other evidences of indebtedness authorized or permitted to be issued by the Department of Business Oversight or made by a public utility subject to the Public Utilities Code. For the purposes of this subdivision, the term “recurring obligation” means all amounts of principal and interest on the loan, or rents, subject to the deed of trust or mortgage in default due after the notice of default is recorded; all amounts of principal and interest or rents advanced on senior liens or leaseholds that are advanced after the recordation of the notice of default; and payments of taxes, assessments, and hazard insurance advanced after recordation of the notice of default. If the beneficiary or mortgagee has made no advances on defaults that would constitute recurring obligations, the beneficiary or mortgagee may require the trustor or mortgagor to provide reliable written evidence that the amounts have been paid prior to reinstatement.

(2) If the trustor, mortgagor, or other person authorized to cure the default pursuant to this subdivision does cure the default, the beneficiary or mortgagee or the agent for the beneficiary or mortgagee shall, within 21 days following the reinstatement, execute and deliver to the trustee a notice of rescission that rescinds the declaration of default and demand for sale and advises the trustee of the date of reinstatement. The trustee shall cause the notice of rescission to be recorded within 30 days of receipt of the notice of rescission and of all allowable fees and costs.

No charge, except for the recording fee, shall be made against the trustor or mortgagor for the execution and recordation of the notice which rescinds the declaration of default and demand for sale.

(b) (1) The notice, of any default described in this section, recorded pursuant to Section 2924, and mailed to any person pursuant to Section 2924b, shall begin with the following statement, printed or typed thereon:

1 establish a schedule of payments in order to cure your default; or
2 both (1) and (2).

3 Following the expiration of the time period referred to in the
4 first paragraph of this notice, unless the obligation being foreclosed
5 upon or a separate written agreement between you and your creditor
6 permits a longer period, you have only the legal right to stop the
7 sale of your property by paying the entire amount demanded by
8 your creditor.

9 To find out the amount you must pay, or to arrange for payment
10 to stop the foreclosure, or if your property is in foreclosure for any
11 other reason, contact:

12
13 _____
14 (Name of beneficiary or mortgagee)

15 _____
16 (Mailing address)

17 _____
18 (Telephone)
19

20 If you have any questions, you should contact a lawyer or the
21 governmental agency that may have insured your loan.

22 Notwithstanding the fact that your property is in foreclosure,
23 you may offer your property for sale, provided the sale is concluded
24 prior to the conclusion of the foreclosure.

25 Remember, **YOU MAY LOSE LEGAL RIGHTS IF YOU DO**
26 **NOT TAKE PROMPT ACTION.** [14-point boldface type if printed
27 or in capital letters if typed]”

28 Unless otherwise specified, the notice, if printed, shall appear
29 in at least 12-point boldface type.

30 If the obligation secured by the deed of trust or mortgage is a
31 contract or agreement described in paragraph (1) or (4) of
32 subdivision (a) of Section 1632, the notice required herein shall
33 be in Spanish if the trustor requested a Spanish language translation
34 of the contract or agreement pursuant to Section 1632. If the
35 obligation secured by the deed of trust or mortgage is contained
36 in a home improvement contract, as defined in Sections 7151.2
37 and 7159 of the Business and Professions Code, which is subject
38 to Title 2 (commencing with Section 1801), the seller shall specify
39 on the contract whether or not the contract was principally
40 negotiated in Spanish and if the contract was principally negotiated

1 in Spanish, the notice required herein shall be in Spanish. No
2 assignee of the contract or person authorized to record the notice
3 of default shall incur any obligation or liability for failing to mail
4 a notice in Spanish unless Spanish is specified in the contract or
5 the assignee or person has actual knowledge that the secured
6 obligation was principally negotiated in Spanish. Unless specified
7 in writing to the contrary, a copy of the notice required by
8 subdivision (c) of Section 2924b shall be in English.

9 (2) Any failure to comply with the provisions of this subdivision
10 shall not affect the validity of a sale in favor of a bona fide
11 purchaser or the rights of an encumbrancer for value and without
12 notice.

13 (c) Costs and expenses that may be charged pursuant to Sections
14 2924 to 2924i, inclusive, shall be limited to the costs incurred for
15 recording, mailing, including certified and express mail charges,
16 publishing, and posting notices required by Sections 2924 to 2924i,
17 inclusive, postponement pursuant to Section 2924g not to exceed
18 fifty dollars (\$50) per postponement and a fee for a trustee's sale
19 guarantee or, in the event of judicial foreclosure, a litigation
20 guarantee. For purposes of this subdivision, a trustee or beneficiary
21 may purchase a trustee's sale guarantee at a rate meeting the
22 standards contained in Sections 12401.1 and 12401.3 of the
23 Insurance Code.

24 (d) Trustee's or attorney's fees that may be charged pursuant
25 to subdivision (a), or until the notice of sale is deposited in the
26 mail to the trustor as provided in Section 2924b, if the sale is by
27 power of sale contained in the deed of trust or mortgage, or,
28 otherwise at any time prior to the decree of foreclosure, are hereby
29 authorized to be in a base amount that does not exceed three
30 hundred fifty dollars (\$350) if the unpaid principal sum secured
31 is one hundred fifty thousand dollars (\$150,000) or less, or three
32 hundred dollars (\$300) if the unpaid principal sum secured exceeds
33 one hundred fifty thousand dollars (\$150,000), plus one-half of 1
34 percent of the unpaid principal sum secured exceeding fifty
35 thousand dollars (\$50,000) up to and including one hundred fifty
36 thousand dollars (\$150,000), plus one-quarter of 1 percent of any
37 portion of the unpaid principal sum secured exceeding one hundred
38 fifty thousand dollars (\$150,000) up to and including five hundred
39 thousand dollars (\$500,000), plus one-eighth of 1 percent of any
40 portion of the unpaid principal sum secured exceeding five hundred

1 thousand dollars (\$500,000). Any charge for trustee's or attorney's
2 fees authorized by this subdivision shall be conclusively presumed
3 to be lawful and valid where the charge does not exceed the
4 amounts authorized herein. For purposes of this subdivision, the
5 unpaid principal sum secured shall be determined as of the date
6 the notice of default is recorded.

7 (e) Reinstatement of a monetary default under the terms of an
8 obligation secured by a deed of trust, or mortgage may be made
9 at any time within the period commencing with the date of
10 recordation of the notice of default until five business days prior
11 to the date of sale set forth in the initial recorded notice of sale.

12 In the event the sale does not take place on the date set forth in
13 the initial recorded notice of sale or a subsequent recorded notice
14 of sale is required to be given, the right of reinstatement shall be
15 revived as of the date of recordation of the subsequent notice of
16 sale, and shall continue from that date until five business days
17 prior to the date of sale set forth in the subsequently recorded notice
18 of sale.

19 In the event the date of sale is postponed on the date of sale set
20 forth in either an initial or any subsequent notice of sale, or is
21 postponed on the date declared for sale at an immediately preceding
22 postponement of sale, and, the postponement is for a period that
23 exceeds five business days from the date set forth in the notice of
24 sale, or declared at the time of postponement, then the right of
25 reinstatement is revived as of the date of postponement and shall
26 continue from that date until five business days prior to the date
27 of sale declared at the time of the postponement.

28 Nothing contained herein shall give rise to a right of
29 reinstatement during the period of five business days prior to the
30 date of sale, whether the date of sale is noticed in a notice of sale
31 or declared at a postponement of sale.

32 Pursuant to the terms of this subdivision, no beneficiary, trustee,
33 mortgagee, or their agents or successors shall be liable in any
34 manner to a trustor, mortgagor, their agents or successors or any
35 beneficiary under a subordinate deed of trust or mortgage or any
36 other person having a subordinate lien or encumbrance of record
37 thereon for the failure to allow a reinstatement of the obligation
38 secured by a deed of trust or mortgage during the period of five
39 business days prior to the sale of the security property, and no such
40 right of reinstatement during this period is created by this section.

1 Any right of reinstatement created by this section is terminated
2 five business days prior to the date of sale set forth in the initial
3 date of sale, and is revived only as prescribed herein and only as
4 of the date set forth herein.

5 As used in this subdivision, the term “business day” has the same
6 meaning as specified in Section 9.

7 SEC. 4. Section 2924d of the Civil Code is amended to read:

8 2924d. (a) Commencing with the date that the notice of sale
9 is deposited in the mail, as provided in Section 2924b, and until
10 the property is sold pursuant to the power of sale contained in the
11 mortgage or deed of trust, a beneficiary, trustee, mortgagee, or his
12 or her agent or successor in interest, may demand and receive from
13 a trustor, mortgagor, or his or her agent or successor in interest,
14 or any beneficiary under a subordinate deed of trust, or any other
15 person having a subordinate lien or encumbrance of record those
16 reasonable costs and expenses, to the extent allowed by subdivision
17 (c) of Section 2924c, that are actually incurred in enforcing the
18 terms of the obligation and trustee’s or attorney’s fees that are
19 hereby authorized to be in a base amount that does not exceed four
20 hundred seventy-five dollars (\$475) if the unpaid principal sum
21 secured is one hundred fifty thousand dollars (\$150,000) or less,
22 or four hundred ten dollars (\$410) if the unpaid principal sum
23 secured exceeds one hundred fifty thousand dollars (\$150,000),
24 plus 1 percent of any portion of the unpaid principal sum secured
25 exceeding fifty thousand dollars (\$50,000) up to and including one
26 hundred fifty thousand dollars (\$150,000), plus one-half of 1
27 percent of any portion of the unpaid principal sum secured
28 exceeding one hundred fifty thousand dollars (\$150,000) up to and
29 including five hundred thousand dollars (\$500,000), plus
30 one-quarter of 1 percent of any portion of the unpaid principal sum
31 secured exceeding five hundred thousand dollars (\$500,000). For
32 purposes of this subdivision, the unpaid principal sum secured
33 shall be determined as of the date the notice of default is recorded.
34 Any charge for trustee’s or attorney’s fees authorized by this
35 subdivision shall be conclusively presumed to be lawful and valid
36 where that charge does not exceed the amounts authorized herein.
37 Any charge for trustee’s or attorney’s fees made pursuant to this
38 subdivision shall be in lieu of and not in addition to those charges
39 authorized by subdivision (d) of Section 2924c.

1 (b) Upon the sale of property pursuant to a power of sale, a
2 trustee, or his or her agent or successor in interest, may demand
3 and receive from a beneficiary, or his or her agent or successor in
4 interest, or may deduct from the proceeds of the sale, those
5 reasonable costs and expenses, to the extent allowed by subdivision
6 (c) of Section 2924c, that are actually incurred in enforcing the
7 terms of the obligation and trustee's or attorney's fees that are
8 hereby authorized to be in an amount which does not exceed four
9 hundred twenty-five dollars (\$425) or 1 percent of the unpaid
10 principal sum secured, whichever is greater. For purposes of this
11 subdivision, the unpaid principal sum secured shall be determined
12 as of the date the notice of default is recorded. Any charge for
13 trustee's or attorney's fees authorized by this subdivision shall be
14 conclusively presumed to be lawful and valid where that charge
15 does not exceed the amount authorized herein. Any charges for
16 trustee's or attorney's fees made pursuant to this subdivision shall
17 be in lieu of and not in addition to those charges authorized by
18 subdivision (a) of this section and subdivision (d) of Section 2924c.

19 (c) (1) No person shall pay or offer to pay or collect any rebate
20 or kickback for the referral of business involving the performance
21 of any act required by this article.

22 (2) Any person who violates this subdivision shall be liable to
23 the trustor for three times the amount of any rebate or kickback,
24 plus reasonable attorney's fees and costs, in addition to any other
25 remedies provided by law.

26 (3) No violation of this subdivision shall affect the validity of
27 a sale in favor of a bona fide purchaser or the rights of an
28 encumbrancer for value without notice.

29 (d) It shall not be unlawful for a trustee to pay or offer to pay a
30 fee to an agent or subagent of the trustee for work performed by
31 the agent or subagent in discharging the trustee's obligations under
32 the terms of the deed of trust. Any payment of a fee by a trustee
33 to an agent or subagent of the trustee for work performed by the
34 agent or subagent in discharging the trustee's obligations under
35 the terms of the deed of trust shall be conclusively presumed to
36 be lawful and valid if the fee, when combined with other fees of
37 the trustee, does not exceed in the aggregate the trustee's fee
38 authorized by subdivision (d) of Section 2924c or subdivision (a)
39 or (b) of this section.

(e) When a court issues a decree of foreclosure, it shall have discretion to award attorney's fees, costs, and expenses as are reasonable, if provided for in the note, deed of trust, or mortgage, pursuant to Section 580c of the Code of Civil Procedure.

SEC. 5. Section 2934a of the Civil Code is amended to read:

~~2934a. (a) (1) The trustee under a trust deed upon real property or an estate for years therein given to secure an obligation to pay money and conferring no other duties upon the trustee than those which are incidental to the exercise of the power of sale therein conferred, may be substituted by the recording in the county in which the property is located of a substitution executed and acknowledged by: (A) all of the beneficiaries under the trust deed, or their successors in interest, and the substitution shall be effective notwithstanding any contrary provision in any trust deed executed on or after January 1, 1968; or (B) the holders of more than 50 percent of the record beneficial interest of a series of notes secured by the same real property or of undivided interests in a note secured by real property equivalent to a series transaction, exclusive of any notes or interests of a licensed real estate broker that is the issuer or servicer of the notes or interests or of any affiliate of that licensed real estate broker.~~

~~(2) A substitution executed pursuant to subparagraph (B) of paragraph (1) is not effective unless all the parties signing the substitution sign, under penalty of perjury, a separate written document stating the following:~~

~~(A) The substitution has been signed pursuant to subparagraph (B) of paragraph (1).~~

~~(B) None of the undersigned is a licensed real estate broker or an affiliate of the broker that is the issuer or servicer of the obligation secured by the deed of trust.~~

~~(C) The undersigned together hold more than 50 percent of the record beneficial interest of a series of notes secured by the same real property or of undivided interests in a note secured by real property equivalent to a series transaction.~~

~~(D) Notice of the substitution was sent by certified mail, postage prepaid, with return receipt requested to each holder of an interest in the obligation secured by the deed of trust who has not joined in the execution of the substitution or the separate document.~~

~~The separate document shall be attached to the substitution and be recorded in the office of the county recorder of each county in~~

1 which the real property described in the deed of trust is located.
2 Once the document required by this paragraph is recorded, it shall
3 constitute conclusive evidence of compliance with the requirements
4 of this paragraph in favor of substituted trustees acting pursuant
5 to this section, subsequent assignees of the obligation secured by
6 the deed of trust and subsequent bona fide purchasers or
7 encumbrancers for value of the real property described therein.

8 (3) For purposes of this section, “affiliate of the licensed real
9 estate broker” includes any person as defined in Section 25013 of
10 the Corporations Code that is controlled by, or is under common
11 control with, or who controls, a licensed real estate broker.
12 “Control” means the possession, direct or indirect, of the power
13 to direct or cause the direction of management and policies.

14 (4) The substitution shall contain the date of recordation of the
15 trust deed, the name of the trustor, the book and page or instrument
16 number where the trust deed is recorded, and the name of the new
17 trustee. From the time the substitution is filed for record, the new
18 trustee shall succeed to all the powers, duties, authority, and title
19 granted and delegated to the trustee named in the deed of trust. A
20 substitution may be accomplished, with respect to multiple deeds
21 of trust which are recorded in the same county in which the
22 substitution is being recorded and which all have the same trustee
23 and beneficiary or beneficiaries, by recording a single document,
24 complying with the requirements of this section, substituting
25 trustees for all those deeds of trust.

26 (b) If the substitution is executed, but not recorded, prior to or
27 concurrently with the recording of the notice of default, the
28 beneficiary or beneficiaries or their authorized agents shall cause
29 notice of the substitution to be mailed prior to or concurrently with
30 the recording thereof, in the manner provided in Section 2924b,
31 to all persons to whom a copy of the notice of default would be
32 required to be mailed by the provisions of Section 2924b. An
33 affidavit shall be attached to the substitution that notice has been
34 given to those persons and in the manner required by this
35 subdivision.

36 (c) If the substitution is effected after a notice of default has
37 been recorded but prior to the recording of the notice of sale, the
38 beneficiary or beneficiaries or their authorized agents shall cause
39 a copy of the substitution to be mailed, prior to, or concurrently
40 with, the recording thereof, in the manner provided in Section

1 2924b, to the trustee then of record and to all persons to whom a
2 copy of the notice of default would be required to be mailed by
3 the provisions of Section 2924b. An affidavit shall be attached to
4 the substitution that notice has been given to those persons and in
5 the manner required by this subdivision.

6 (d) (1) A trustee named in a recorded substitution of trustee
7 shall be deemed to be authorized to act as the trustee under the
8 mortgage or deed of trust for all purposes from the date the
9 substitution is executed by the mortgagee, beneficiaries, or by their
10 authorized agents. Nothing herein requires that a trustee under a
11 recorded substitution accept the substitution. Once recorded, the
12 substitution shall constitute conclusive evidence of the authority
13 of the substituted trustee or his or her agents to act pursuant to this
14 section.

15 (2) A trustee named in a recorded substitution of trustee shall
16 not be a legal owner or owner, as applicable, for purposes of
17 Section 2929.3 or 2929.4.

18 (e) Notwithstanding any provision of this section or any
19 provision in any deed of trust, unless a new notice of sale
20 containing the name, street address, and telephone number of the
21 substituted trustee is given pursuant to Section 2924f after
22 execution of the substitution, any sale conducted by the substituted
23 trustee shall be void.

24 (f) This section shall become operative on January 1, 1998.